

MGM Resorts International Reports Second Quarter Financial Results

8/5/2014

Consolidated Adjusted EBITDA Increased 8%, Led By 10% Growth In Wholly Owned Domestic Resorts
MGM China Declares \$136 Million Dividend

LAS VEGAS, Aug. 5, 2014 /PRNewswire/ -- MGM Resorts International (NYSE: MGM) today reported financial results for the quarter ended June 30, 2014. Diluted earnings per share for the second quarter of 2014 was \$0.21 compared to diluted loss per share of \$0.19 in the prior year second quarter.

"I am pleased to report another solid quarter of growth at MGM Resorts," said Jim Murren, Chairman and CEO. "Our domestic business was very strong with 12% EBITDA growth in Las Vegas driven by strong performance in both our room and casino segments. CityCenter resort operations continue to improve while in Macau we grew cash flow and margins due to a higher contribution of revenues from our main floor business. These results clearly reflect the success of our investments and strategies in our existing properties, while we are building MGM Cotai and beginning construction on MGM National Harbor."

Key results for the second quarter of 2014 include the following:

- Consolidated net revenue was \$2.6 billion, a 4% increase over the prior year second quarter;
- Casino revenue at the Company's wholly owned domestic resorts increased 6% compared to the prior year quarter;
- Rooms revenue at wholly owned domestic resorts increased 6% with a 6% increase in REVPAR(1) at the Company's Las Vegas Strip resorts compared to the prior year quarter;
- Adjusted Property EBITDA(2) was \$643 million, an 8% increase compared to the prior year quarter;
- The Company's wholly owned domestic resorts earned Adjusted Property EBITDA of \$414 million, a 10% increase compared to the prior year quarter;
- MGM China's Adjusted EBITDA was \$210 million, a 3% increase compared to the prior year quarter, including \$14 million of branding fee expense in the current quarter; and

- CityCenter earned Adjusted EBITDA related to resort operations of \$81 million, a 20% increase over the prior year quarter.

Certain Items Affecting Second Quarter Results

The following table lists items that affect the comparability of the current and prior year quarterly results (approximate EPS impact shown, net of tax, per share; negative amounts represent charges to income):

| Three months ended June 30, | 2014 | 2013 |
|---|-----------|--------|
| Preopening and start-up expenses | \$ (0.01) | \$ — |
| Property transactions, net: | | |
| Investment in Grand Victoria impairment | (0.04) | (0.05) |
| Corporate buildings impairment | — | (0.06) |
| Other property transactions, net | (0.01) | (0.01) |
| IRS audit settlement | 0.06 | — |

The current year second quarter and prior year second quarter results were affected by non-cash impairment charges of \$29 million and \$37 million, respectively, related to the Company's joint venture investment in Grand Victoria. In addition, the Company recorded an impairment charge of \$45 million in the prior year second quarter related to corporate buildings located on the land underlying the Company's planned Las Vegas arena project, which were removed from service in 2014.

The current year second quarter income tax provision was affected by a \$31 million benefit resulting from the settlement of the Company's 2005-2009 IRS audits during the quarter. In addition to the items in the table above, the current year second quarter income tax provision was favorably impacted by a net benefit recorded for foreign tax credits generated by MGM China, while the prior year second quarter income tax provision was unfavorably impacted by a valuation allowance provided on U.S. deferred tax assets.

Wholly Owned Domestic Resorts

Casino revenue related to wholly owned domestic resorts increased 6% compared to the prior year quarter due to an increase in both table games volume and hold percentage. Table games hold percentage in the second quarter of 2014 was 21.3% compared to 18.1% in the prior year quarter. Slots revenue decreased 1% compared to the prior year quarter.

Rooms revenue increased 6% with Las Vegas Strip REVPAR up 6%. The following table shows key hotel statistics

for the Company's Las Vegas Strip resorts:

| Three months ended June 30, | 2014 | | 2013 | |
|-------------------------------------|--------|--------|--------|-----|
| Occupancy % | | 96% | | 95% |
| Average Daily Rate (ADR) | \$ 141 | | \$ 134 | |
| Revenue per Available Room (REVPAR) | | \$ 135 | \$ 127 | |

Food and beverage revenue increased 5% as a result of increased convention and banquet business and the opening of several new outlets. Operating income for the Company's wholly owned domestic resorts increased 23% for the second quarter of 2014 compared to the prior year quarter due to a 7% increase in net revenues and improved operating margins.

MGM China

On August 5, 2014, MGM China's Board of Directors announced a dividend of \$136 million, which will be paid to shareholders of record as of August 25, 2014 and distributed on or about September 1, 2014. MGM Resorts International will receive \$69 million, representing its 51% share of the dividend.

Key second quarter results for MGM China include the following:

- MGM China earned net revenue of \$828 million, a 1% decrease compared to the prior year quarter;
- Main floor table games revenue increased 41% compared to the prior year quarter;
- VIP table games revenue decreased 18% due to a decrease in VIP table games turnover of 10% compared to the prior year quarter and lower hold percentage of 2.7% in the current year quarter compared to 2.9% in the prior year quarter;
- MGM China's Adjusted EBITDA was \$210 million, a 3% increase compared to the prior year quarter, including \$14 million of branding fee expense in the current quarter;
- MGM China's Adjusted EBITDA margin increased by 90 basis points compared to the prior year quarter; and
- Operating income was \$134 million compared to \$126 million in the prior year quarter.

Income from Unconsolidated Affiliates

The following table summarizes information related to the Company's share of income from unconsolidated affiliates:

| Three months ended June 30, | 2014 | 2013 |
|-----------------------------|----------------|----------|
| | (In thousands) | |
| CityCenter | \$ (1,055) | \$ 861 |
| Other | 6,923 | 5,821 |
| | \$ 5,868 | \$ 6,682 |

Results for CityCenter Holdings, LLC for the second quarter of 2014 include the following (see schedules accompanying this release for further detail on CityCenter's second quarter results):

- Net revenue from resort operations increased by 9% to \$304 million compared to \$280 million in the prior year quarter;
- Adjusted EBITDA from resort operations was \$81 million, an increase of 20% compared to the prior year quarter;
- Aria's table games hold percentage was 23.4% compared to 20.8% in the prior year quarter;
- Aria's occupancy percentage was 94% and its ADR was \$217, resulting in REVPAR of \$205, a 6% increase compared to the prior year quarter;
- Vdara reported record REVPAR of \$166, an increase of 10% compared to the prior year quarter;
- Crystals reported Adjusted EBITDA of \$11 million, an increase of 12% from the prior year quarter; and
- Property transactions, net was \$16 million compared to \$10 million in the prior year quarter.

Financial Position

"Over the next year we expect free cash flow growth, dividends from MGM China and the anticipated conversion of \$1.45 billion of outstanding convertible notes to dramatically improve our balance sheet," said Dan D'Arrigo, Executive Vice President, CFO and Treasurer. "In July, we capitalized on CityCenter's improved credit profile with under 5x leverage to reduce the annual interest rate on its senior credit facility by 75 basis points. We believe CityCenter is positioned to generate significant free cash flow going forward."

The Company's cash balance at June 30, 2014 was \$1.4 billion, which included \$658 million at MGM China. At June 30, 2014 the Company had \$2.8 billion of borrowings outstanding under its \$4.0 billion senior secured credit facility and \$554 million outstanding under the \$2.0 billion MGM China credit facility.

Conference Call Details

MGM Resorts International will host a conference call at 11:00 a.m. Eastern Time today which will include a brief discussion of these results followed by a question and answer period. The call will be accessible via the Internet through www.mgmresorts.com under the Investors section or by calling 1-888-317-6003 for domestic callers and 1-412-317-6061 for international callers. The conference call access code is 1985444. A replay of the call will be available through Wednesday, August 13, 2014. The replay may be accessed by dialing 1-877-344-7529 or 1-412-317-0088. The replay access code is 10049632. The call will be archived at www.mgmresorts.com.

1 REVPAR is hotel revenue per available room.

2 "Adjusted EBITDA" is earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses and property transactions, net. "Adjusted Property EBITDA" is Adjusted EBITDA before corporate expense and stock compensation expense related to the MGM Resorts stock option plan, which is not allocated to each property. MGM China recognizes stock compensation expense related to its stock compensation plan which is included in the calculation of Adjusted EBITDA for MGM China. Adjusted EBITDA information is presented solely as a supplemental disclosure to reported GAAP measures because management believes these measures are 1) widely used measures of operating performance in the gaming industry, and 2) a principal basis for valuation of gaming companies.

Management believes that while items excluded from Adjusted EBITDA and Adjusted Property EBITDA may be recurring in nature and should not be disregarded in evaluation of the Company's earnings performance, it is useful to exclude such items when analyzing current results and trends compared to other periods because these items can vary significantly depending on specific underlying transactions or events that may not be comparable between the periods being presented. Also, management believes excluded items may not relate specifically to current operating trends or be indicative of future results. For example, preopening and start-up expenses will be significantly different in periods when the Company is developing and constructing a major expansion project and will depend on where the current period lies within the development cycle, as well as the size and scope of the project(s). Property transactions, net includes normal recurring disposals, gains and losses on sales of assets related to specific assets within the Company's resorts, but also includes gains or losses on sales of an entire operating resort or a group of resorts and impairment charges on entire asset groups or investments in unconsolidated affiliates, which may not be comparable period over period.

In addition, capital allocation, tax planning, financing and stock compensation awards are all managed at the corporate level. Therefore, management uses Adjusted Property EBITDA as the primary measure of the Company's operating resorts' performance.

Reconciliations of GAAP net income (loss) to Adjusted EBITDA and GAAP operating income (loss) to Adjusted Property EBITDA are included in the financial schedules in this release.

About MGM Resorts International

MGM Resorts International (NYSE: MGM) is one of the world's leading global hospitality companies, operating a portfolio of destination resort brands including Bellagio, MGM Grand, Mandalay Bay and The Mirage. The Company also owns 51% of MGM China Holdings Limited, which owns the MGM Macau resort and casino and is in the process of developing a gaming resort in Cotai, and 50% of CityCenter in Las Vegas, which features ARIA resort and casino. For more information about MGM Resorts International, visit the Company's website at www.mgmresorts.com.

Statements in this release that are not historical facts are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 and involve risks and/or uncertainties, including those described in the Company's public filings with the Securities and Exchange Commission. The Company has based forward-looking statements on management's current expectations and assumptions and not on historical facts. Examples of these statements include, but are not limited to, statements regarding our development projects, anticipated free cash flow growth, the receipt of dividends from MGM China and the conversion of the outstanding convertible notes. These forward-looking statements involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from those indicated in such forward-looking statements include effects of economic conditions and market conditions in the markets in which the Company operates and competition with other destination travel locations throughout the United States and the world, the design, timing and costs of expansion projects, risks relating to international operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions and additional risks and uncertainties described in the Company's Form 10-K, Form 10-Q and Form 8-K reports (including all amendments to those reports). In providing forward-looking statements, the Company is not undertaking any duty or obligation to update these statements publicly as a result of new information, future events or otherwise, except as required by law. If the Company updates one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those other forward-looking statements.

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|--------------------|-------------------|--------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Revenues: | | | | |
| Casino | \$ 1,475,165 | \$ 1,443,157 | \$ 3,058,597 | \$ 2,844,577 |
| Rooms | 463,151 | 437,710 | 915,537 | 838,960 |
| Food and beverage | 412,723 | 394,247 | 796,115 | 754,129 |
| Entertainment | 138,735 | 121,001 | 272,512 | 234,855 |
| Retail | 50,811 | 52,748 | 95,427 | 97,455 |
| Other | 134,068 | 127,914 | 259,495 | 251,740 |
| Reimbursed costs | 95,745 | 92,741 | 190,720 | 182,977 |
| | <u>2,770,398</u> | <u>2,669,518</u> | <u>5,588,403</u> | <u>5,204,693</u> |
| Less: Promotional allowances | (189,365) | (188,253) | (376,972) | (371,280) |
| | <u>2,581,033</u> | <u>2,481,265</u> | <u>5,211,431</u> | <u>4,833,413</u> |
| Expenses: | | | | |
| Casino | 916,817 | 916,807 | 1,907,651 | 1,792,053 |
| Rooms | 142,413 | 134,001 | 276,651 | 261,710 |
| Food and beverage | 241,124 | 225,696 | 461,182 | 430,436 |
| Entertainment | 104,761 | 89,940 | 203,698 | 173,665 |
| Retail | 26,055 | 27,865 | 49,531 | 53,831 |
| Other | 92,077 | 92,819 | 179,654 | 178,792 |
| Reimbursed costs | 95,745 | 92,741 | 190,720 | 182,977 |
| General and administrative | 327,484 | 314,324 | 646,730 | 618,225 |
| Corporate expense | 54,439 | 52,364 | 107,790 | 98,988 |
| Preopening and start-up expenses | 9,759 | 3,506 | 15,395 | 5,652 |
| Property transactions, net | 33,170 | 88,131 | 33,728 | 96,622 |
| Depreciation and amortization | 203,070 | 218,151 | 410,725 | 430,069 |
| | <u>2,246,914</u> | <u>2,256,345</u> | <u>4,483,455</u> | <u>4,323,020</u> |
| Income from unconsolidated affiliates | 5,868 | 6,682 | 24,644 | 23,026 |
| Operating income | <u>339,987</u> | <u>231,602</u> | <u>752,620</u> | <u>533,419</u> |
| Non-operating income (expense): | | | | |
| Interest expense, net of amounts capitalized | (203,936) | (214,500) | (413,323) | (439,947) |
| Non-operating items from unconsolidated affiliates | (14,578) | (38,864) | (28,301) | (60,943) |
| Other, net | (309) | (4,951) | (1,743) | (6,233) |
| | <u>(218,823)</u> | <u>(258,315)</u> | <u>(443,367)</u> | <u>(507,123)</u> |
| Income (loss) before income taxes | 121,164 | (26,713) | 309,253 | 26,296 |
| Benefit (provision) for income taxes | 52,540 | (3,865) | 56,059 | (34,296) |
| Net income (loss) | 173,704 | (30,578) | 365,312 | (8,000) |
| Less: Net income attributable to noncontrolling interests | (68,160) | (62,380) | (151,608) | (78,412) |
| Net income (loss) attributable to MGM Resorts International | <u>\$ 105,544</u> | <u>\$ (92,958)</u> | <u>\$ 213,704</u> | <u>\$ (86,412)</u> |
| Per share of common stock: | | | | |
| Basic: | | | | |
| Net income (loss) attributable to MGM Resorts International | <u>\$ 0.22</u> | <u>\$ (0.19)</u> | <u>\$ 0.44</u> | <u>\$ (0.18)</u> |
| Weighted average shares outstanding | <u>490,786</u> | <u>489,484</u> | <u>490,692</u> | <u>489,388</u> |
| Diluted: | | | | |
| Net income (loss) attributable to MGM Resorts International | <u>\$ 0.21</u> | <u>\$ (0.19)</u> | <u>\$ 0.42</u> | <u>\$ (0.18)</u> |
| Weighted average shares outstanding | <u>513,371</u> | <u>489,484</u> | <u>513,287</u> | <u>489,388</u> |

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

| | June 30, 2014 | December 31, 2013 |
|--|------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,365,137 | \$ 1,803,669 |
| Accounts receivable, net | 473,922 | 488,217 |
| Inventories | 102,524 | 107,907 |
| Deferred income taxes, net | - | 80,989 |
| Prepaid expenses and other | 224,732 | 238,657 |
| Total current assets | 2,166,315 | 2,719,439 |
| Property and equipment, net | 14,113,722 | 14,055,212 |
| Other assets: | | |
| Investments in and advances to unconsolidated affiliates | 1,420,924 | 1,374,836 |
| Goodwill | 2,898,861 | 2,897,442 |
| Other intangible assets, net | 4,396,436 | 4,511,861 |
| Other long-term assets, net | 576,045 | 551,395 |
| Total other assets | 9,292,266 | 9,335,534 |
| | \$ 25,572,303 | \$ 26,110,185 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 253,475 | \$ 241,192 |
| Income taxes payable | 32,817 | 14,813 |
| Current portion of long-term debt | 317,194 | - |
| Deferred income taxes, net | 1,522 | - |
| Accrued interest on long-term debt | 191,141 | 188,522 |
| Other accrued liabilities | 1,764,167 | 1,770,801 |
| Total current liabilities | 2,560,316 | 2,215,328 |
| Deferred income taxes | 2,356,998 | 2,430,414 |
| Long-term debt | 12,606,520 | 13,447,230 |
| Other long-term obligations | 106,941 | 141,590 |
| Stockholders' equity: | | |
| Common stock, \$.01 par value: authorized 1,000,000,000 shares, issued and outstanding 490,712,807 and 490,360,628 shares | 4,907 | 4,904 |
| Capital in excess of par value | 4,166,365 | 4,156,680 |
| Retained earnings | 270,796 | 57,092 |
| Accumulated other comprehensive income | 15,235 | 12,503 |
| Total MGM Resorts International stockholders' equity | 4,457,303 | 4,231,179 |
| Noncontrolling interests | 3,484,225 | 3,644,444 |
| Total stockholders' equity | 7,941,528 | 7,875,623 |
| | \$ 25,572,303 | \$ 26,110,185 |

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES
SUPPLEMENTAL DATA - NET REVENUES
(In thousands)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Bellagio | \$ 332,213 | \$ 303,111 | \$ 652,069 | \$ 603,831 |
| MGM Grand Las Vegas | 271,675 | 255,426 | 533,339 | 514,316 |
| Mandalay Bay | 233,506 | 205,306 | 452,890 | 380,819 |
| The Mirage | 146,670 | 142,383 | 294,918 | 286,936 |
| Luxor | 91,067 | 83,383 | 174,760 | 161,172 |
| New York-New York | 71,865 | 69,070 | 144,833 | 138,338 |
| Excalibur | 72,125 | 69,967 | 139,698 | 131,776 |
| Monte Carlo | 72,332 | 68,891 | 140,943 | 135,391 |
| Circus Circus Las Vegas | 53,942 | 51,270 | 102,667 | 97,183 |
| MGM Grand Detroit | 136,350 | 132,593 | 269,498 | 273,461 |
| Beau Rivage | 87,588 | 85,959 | 170,014 | 166,869 |
| Gold Strike Tunica | 39,500 | 36,400 | 76,419 | 73,442 |
| Other resort operations | 30,437 | 32,237 | 57,456 | 61,650 |
| Wholly owned domestic resorts | <u>1,639,270</u> | <u>1,535,996</u> | <u>3,209,504</u> | <u>3,025,184</u> |
| MGM China | 827,928 | 835,149 | 1,769,376 | 1,582,706 |
| Management and other operations | 113,835 | 110,120 | 232,551 | 225,523 |
| | <u>\$ 2,581,033</u> | <u>\$ 2,481,265</u> | <u>\$ 5,211,431</u> | <u>\$ 4,833,413</u> |

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES
SUPPLEMENTAL DATA - ADJUSTED PROPERTY EBITDA
(In thousands)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---------------------------------|--------------------|-------------------|---------------------|---------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Bellagio | \$ 115,619 | \$ 99,522 | \$ 220,768 | \$ 189,101 |
| MGM Grand Las Vegas | 54,371 | 49,635 | 116,604 | 111,640 |
| Mandalay Bay | 53,003 | 49,358 | 109,003 | 88,772 |
| The Mirage | 28,910 | 24,528 | 64,329 | 54,689 |
| Luxor | 21,322 | 18,288 | 39,300 | 33,862 |
| New York-New York | 24,478 | 23,672 | 50,105 | 47,072 |
| Excalibur | 20,706 | 19,771 | 39,596 | 34,880 |
| Monte Carlo | 19,999 | 19,883 | 39,894 | 37,369 |
| Circus Circus Las Vegas | 7,213 | 5,296 | 12,522 | 9,853 |
| MGM Grand Detroit | 39,653 | 38,662 | 73,019 | 78,315 |
| Beau Rivage | 18,489 | 16,466 | 33,130 | 30,339 |
| Gold Strike Tunica | 10,185 | 8,518 | 19,752 | 18,505 |
| Other resort operations | 450 | 2,004 | (778) | 2,243 |
| Wholly owned domestic resorts | <u>414,398</u> | <u>375,603</u> | <u>817,244</u> | <u>736,640</u> |
| MGM China | 210,488 | 204,815 | 451,213 | 385,270 |
| CityCenter (50%)(1) | (1,055) | 861 | 12,991 | 12,556 |
| Other unconsolidated resorts(1) | 6,923 | 5,821 | 11,653 | 10,470 |
| Management and other operations | 12,102 | 9,060 | 31,954 | 24,821 |
| | <u>\$ 642,856</u> | <u>\$ 596,160</u> | <u>\$ 1,325,055</u> | <u>\$ 1,169,757</u> |

(1) Represents the Company's share of operating income (loss), adjusted for the effect of certain basis differences.

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES
RECONCILIATION OF OPERATING INCOME (LOSS) TO ADJUSTED PROPERTY EBITDA AND ADJUSTED EBITDA
(In thousands)
(Unaudited)

Three Months Ended June 30, 2014

| | Operating income (loss) | Preopening and start-up expenses | Property transactions, net | Depreciation and amortization | Adjusted EBITDA |
|-------------------------------|----------------------------|--|-------------------------------|----------------------------------|-----------------|
| Bellagio | \$ 94,027 | \$ - | \$ 594 | \$ 20,998 | \$ 115,619 |
| MGM Grand Las Vegas | 34,429 | - | 207 | 19,735 | 54,371 |
| Mandalay Bay | 33,524 | 331 | 241 | 18,907 | 53,003 |
| The Mirage | 14,362 | 22 | 1,801 | 12,725 | 28,910 |
| Luxor | 11,734 | (3) | 1 | 9,590 | 21,322 |
| New York-New York | 19,755 | 47 | 98 | 4,578 | 24,478 |
| Excalibur | 16,605 | - | 332 | 3,769 | 20,706 |
| Monte Carlo | 14,091 | 464 | 154 | 5,290 | 19,999 |
| Circus Circus Las Vegas | 3,308 | 36 | 3 | 3,866 | 7,213 |
| MGM Grand Detroit | 33,804 | - | 78 | 5,771 | 39,653 |
| Beau Rivage | 11,476 | - | 559 | 6,454 | 18,489 |
| Gold Strike Tunica | 6,651 | - | 265 | 3,269 | 10,185 |
| Other resort operations | (86) | - | (8) | 544 | 450 |
| Wholly owned domestic resorts | <u>293,680</u> | <u>897</u> | <u>4,325</u> | <u>115,496</u> | <u>414,398</u> |
| MGM China | 134,112 | 2,917 | 48 | 73,411 | 210,488 |
| CityCenter (50%) | (1,055) | - | - | - | (1,055) |
| Other | | | | | |

| | | | | | |
|---------------------------------|-------------------|-----------------|------------------|-------------------|-------------------|
| unconsolidated resorts | 6,822 | 101 | - | - | 6,923 |
| Management and other operations | 10,054 | - | 1 | 2,047 | 12,102 |
| | <u>443,613</u> | <u>3,915</u> | <u>4,374</u> | <u>190,954</u> | <u>642,856</u> |
| Stock compensation | (6,393) | - | - | - | (6,393) |
| Corporate | (97,233) | 5,844 | 28,796 | 12,116 | (50,477) |
| | <u>\$ 339,987</u> | <u>\$ 9,759</u> | <u>\$ 33,170</u> | <u>\$ 203,070</u> | <u>\$ 585,986</u> |

Three Months Ended June 30, 2013

| | <u>Operating income (loss)</u> | <u>Preopening and start-up expenses</u> | <u>Property transactions, net</u> | <u>Depreciation and amortization</u> | <u>Adjusted EBITDA</u> |
|---------------------------------|------------------------------------|---|---------------------------------------|--|------------------------|
| Bellagio | \$ 71,386 | \$ - | \$ 337 | \$ 27,799 | \$ 99,522 |
| MGM Grand Las Vegas | 29,400 | - | 104 | 20,131 | 49,635 |
| Mandalay Bay | 23,414 | 1,078 | 1,854 | 23,012 | 49,358 |
| The Mirage | 11,714 | - | 141 | 12,673 | 24,528 |
| Luxor | 9,097 | 112 | (252) | 9,331 | 18,288 |
| New York-New York | 17,958 | - | 499 | 5,215 | 23,672 |
| Excalibur | 16,382 | - | 13 | 3,376 | 19,771 |
| Monte Carlo | 12,183 | 58 | 2,964 | 4,678 | 19,883 |
| Circus Circus Las Vegas | 801 | - | 10 | 4,485 | 5,296 |
| MGM Grand Detroit | 32,709 | - | - | 5,953 | 38,662 |
| Beau Rivage | 8,732 | - | 7 | 7,727 | 16,466 |
| Gold Strike Tunica | 3,966 | - | 1,187 | 3,365 | 8,518 |
| Other resort operations | 1,441 | - | - | 563 | 2,004 |
| Wholly owned domestic resorts | <u>239,183</u> | <u>1,248</u> | <u>6,864</u> | <u>128,308</u> | <u>375,603</u> |
| MGM China | 126,134 | 2,258 | 150 | 76,273 | 204,815 |
| CityCenter (50%) | 861 | - | - | - | 861 |
| Other unconsolidated resorts | 5,821 | - | - | - | 5,821 |
| Management and other operations | 6,111 | - | (4) | 2,953 | 9,060 |
| | <u>378,110</u> | <u>3,506</u> | <u>7,010</u> | <u>207,534</u> | <u>596,160</u> |
| Stock compensation | (6,246) | - | - | - | (6,246) |
| Corporate | (140,262) | - | 81,121 | 10,617 | (48,524) |
| | <u>\$ 231,602</u> | <u>\$ 3,506</u> | <u>\$ 88,131</u> | <u>\$ 218,151</u> | <u>\$ 541,390</u> |

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES
RECONCILIATION OF OPERATING INCOME (LOSS) TO ADJUSTED PROPERTY EBITDA AND ADJUSTED EBITDA
(In thousands)
(Unaudited)

Six Months Ended June 30, 2014

| | Operating income (loss) | Preopening and start-up expenses | Property transactions, net | Depreciation and amortization | Adjusted EBITDA |
|-------------------------------|----------------------------|--|-------------------------------|----------------------------------|-----------------|
| Bellagio | \$ 175,878 | \$ - | \$ 573 | \$ 44,317 | \$ 220,768 |
| MGM Grand Las Vegas | 75,361 | 197 | 199 | 40,847 | 116,604 |
| Mandalay Bay | 67,935 | 1,133 | 239 | 39,696 | 109,003 |
| The Mirage | 36,954 | 22 | 1,948 | 25,405 | 64,329 |
| Luxor | 20,541 | - | - | 18,759 | 39,300 |
| New York-New York | 40,642 | 102 | 342 | 9,019 | 50,105 |
| Excalibur | 32,060 | - | 331 | 7,205 | 39,596 |
| Monte Carlo | 28,105 | 1,379 | 157 | 10,253 | 39,894 |
| Circus Circus Las Vegas | 4,845 | 36 | (8) | 7,649 | 12,522 |
| MGM Grand Detroit | 61,458 | - | 78 | 11,483 | 73,019 |
| Beau Rivage | 19,642 | - | 559 | 12,929 | 33,130 |
| Gold Strike Tunica | 13,016 | - | 265 | 6,471 | 19,752 |
| Other resort operations | (1,855) | - | (8) | 1,085 | (778) |
| Wholly owned domestic resorts | <u>574,582</u> | <u>2,869</u> | <u>4,675</u> | <u>235,118</u> | <u>817,244</u> |
| MGM China | 298,701 | 5,325 | (56) | 147,243 | 451,213 |
| CityCenter (50%) | 12,991 | - | - | - | 12,991 |
| Other | | | | | |

| | | | | | |
|---------------------------------|-------------------|------------------|------------------|-------------------|---------------------|
| unconsolidated resorts | 11,533 | 120 | - | - | 11,653 |
| Management and other operations | 27,015 | - | 1 | 4,938 | 31,954 |
| | <u>924,822</u> | <u>8,314</u> | <u>4,620</u> | <u>387,299</u> | <u>1,325,055</u> |
| Stock compensation Corporate | (13,092) | - | - | - | (13,092) |
| | <u>(159,110)</u> | <u>7,081</u> | <u>29,108</u> | <u>23,426</u> | <u>(99,495)</u> |
| | <u>\$ 752,620</u> | <u>\$ 15,395</u> | <u>\$ 33,728</u> | <u>\$ 410,725</u> | <u>\$ 1,212,468</u> |

Six Months Ended June 30, 2013

| | Operating income (loss) | Preopening and start-up expenses | Property transactions, net | Depreciation and amortization | Adjusted EBITDA |
|---------------------------------|-------------------------|----------------------------------|----------------------------|-------------------------------|---------------------|
| Bellagio | \$ 137,778 | \$ - | \$ 341 | \$ 50,982 | \$ 189,101 |
| MGM Grand Las Vegas | 70,372 | - | 770 | 40,498 | 111,640 |
| Mandalay Bay | 44,236 | 474 | 2,436 | 41,626 | 88,772 |
| The Mirage | 25,264 | - | 4,295 | 25,130 | 54,689 |
| Luxor | 12,872 | 112 | 2,927 | 17,951 | 33,862 |
| New York-New York | 35,695 | - | 530 | 10,847 | 47,072 |
| Excalibur | 27,544 | - | 13 | 7,323 | 34,880 |
| Monte Carlo | 25,041 | 58 | 2,952 | 9,318 | 37,369 |
| Circus Circus Las Vegas | 412 | - | 10 | 9,431 | 9,853 |
| MGM Grand Detroit | 67,080 | - | - | 11,235 | 78,315 |
| Beau Rivage | 15,159 | - | (291) | 15,471 | 30,339 |
| Gold Strike Tunica | 10,786 | - | 1,174 | 6,545 | 18,505 |
| Other resort operations | 1,113 | - | (1) | 1,131 | 2,243 |
| Wholly owned domestic resorts | <u>473,352</u> | <u>644</u> | <u>15,156</u> | <u>247,488</u> | <u>736,640</u> |
| MGM China | 225,251 | 4,632 | 345 | 155,042 | 385,270 |
| CityCenter (50%) | 12,180 | 376 | - | - | 12,556 |
| Other unconsolidated resorts | 10,470 | - | - | - | 10,470 |
| Management and other operations | 18,894 | - | - | 5,927 | 24,821 |
| | <u>740,147</u> | <u>5,652</u> | <u>15,501</u> | <u>408,457</u> | <u>1,169,757</u> |
| Stock compensation Corporate | (13,189) | - | - | - | (13,189) |
| | <u>(193,539)</u> | <u>-</u> | <u>81,121</u> | <u>21,612</u> | <u>(90,806)</u> |
| | <u>\$ 533,419</u> | <u>\$ 5,652</u> | <u>\$ 96,622</u> | <u>\$ 430,069</u> | <u>\$ 1,065,762</u> |

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME (LOSS)
(In thousands)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|--------------------|-------------------|--------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Adjusted EBITDA | \$ 585,986 | \$ 541,390 | \$ 1,212,468 | \$ 1,065,762 |
| Preopening and start-up expenses | (9,759) | (3,506) | (15,395) | (5,652) |
| Property transactions, net | (33,170) | (88,131) | (33,728) | (96,622) |
| Depreciation and amortization | (203,070) | (218,151) | (410,725) | (430,069) |
| Operating income | <u>339,987</u> | <u>231,602</u> | <u>752,620</u> | <u>533,419</u> |
| Non-operating income (expense): | | | | |
| Interest expense, net of amounts capitalized | (203,936) | (214,500) | (413,323) | (439,947) |
| Other, net | (14,887) | (43,815) | (30,044) | (67,176) |
| | <u>(218,823)</u> | <u>(258,315)</u> | <u>(443,367)</u> | <u>(507,123)</u> |
| Income (loss) before income taxes | 121,164 | (26,713) | 309,253 | 26,296 |
| Benefit (provision) for income taxes | 52,540 | (3,865) | 56,059 | (34,296) |
| Net income (loss) | <u>173,704</u> | <u>(30,578)</u> | <u>365,312</u> | <u>(8,000)</u> |
| Less: Net income attributable to noncontrolling interests | (68,160) | (62,380) | (151,608) | (78,412) |
| Net income (loss) attributable to MGM Resorts International | <u>\$ 105,544</u> | <u>\$ (92,958)</u> | <u>\$ 213,704</u> | <u>\$ (86,412)</u> |

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES
SUPPLEMENTAL DATA - HOTEL STATISTICS - LAS VEGAS STRIP
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|-------------------------------------|--------------------|------------------|------------------|------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Bellagio | | | | |
| Occupancy % | 95.8% | 95.9% | 94.0% | 94.3% |
| Average daily rate (ADR) | \$259 | \$247 | \$261 | \$244 |
| Revenue per available room (REVPAR) | \$248 | \$237 | \$245 | \$230 |
| MGM Grand Las Vegas | | | | |
| Occupancy % | 98.1% | 96.4% | 96.7% | 94.7% |
| ADR | \$150 | \$143 | \$155 | \$144 |
| REVPAR | \$147 | \$138 | \$150 | \$137 |
| Mandalay Bay | | | | |
| Occupancy % | 94.9% | 94.2% | 93.6% | 91.5% |
| ADR | \$200 | \$192 | \$201 | \$187 |
| REVPAR | \$190 | \$181 | \$188 | \$171 |
| The Mirage | | | | |
| Occupancy % | 96.9% | 96.3% | 95.8% | 95.7% |
| ADR | \$162 | \$152 | \$166 | \$151 |
| REVPAR | \$157 | \$147 | \$159 | \$144 |
| Luxor | | | | |
| Occupancy % | 97.2% | 95.2% | 95.3% | 92.9% |
| ADR | \$97 | \$90 | \$99 | \$88 |
| REVPAR | \$94 | \$86 | \$94 | \$82 |
| New York-New York | | | | |
| Occupancy % | 99.2% | 98.3% | 98.6% | 97.8% |
| ADR | \$123 | \$115 | \$125 | \$113 |
| REVPAR | \$122 | \$113 | \$123 | \$111 |
| Excalibur | | | | |
| Occupancy % | 98.0% | 95.5% | 94.6% | 90.6% |
| ADR | \$80 | \$74 | \$81 | \$73 |

| | | | | |
|-------------------------|-------|-------|-------|-------|
| REVPAR | \$79 | \$71 | \$77 | \$66 |
| Monte Carlo | | | | |
| Occupancy % | 99.3% | 98.0% | 97.7% | 96.9% |
| ADR | \$114 | \$107 | \$115 | \$105 |
| REVPAR | \$113 | \$105 | \$112 | \$102 |
| Circus Circus Las Vegas | | | | |
| Occupancy % | 84.4% | 85.5% | 79.6% | 79.5% |
| ADR | \$60 | \$55 | \$61 | \$55 |
| REVPAR | \$50 | \$47 | \$49 | \$43 |

CITYCENTER HOLDINGS, LLC
SUPPLEMENTAL DATA - NET REVENUES
(In thousands)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|------------------------|--------------------|------------------|------------------|------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Aria | \$ 245,144 | \$ 226,102 | \$ 498,833 | \$ 484,612 |
| Vdara | 26,867 | 24,355 | 53,117 | 46,414 |
| Crystals | 16,649 | 15,494 | 33,401 | 29,451 |
| Mandarin Oriental | 15,411 | 13,774 | 31,852 | 27,494 |
| Resort operations | 304,071 | 279,725 | 617,203 | 587,971 |
| Residential operations | 15,804 | 53,449 | 39,089 | 60,345 |
| | \$ 319,875 | \$ 333,174 | \$ 656,292 | \$ 648,316 |

CITYCENTER HOLDINGS, LLC
RECONCILIATION OF ADJUSTED EBITDA TO NET LOSS
(In thousands)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|----------------------------------|--------------------|------------------|------------------|------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Adjusted EBITDA | \$ 77,709 | \$ 72,666 | \$ 172,767 | \$ 159,653 |
| Preopening and start-up expenses | - | - | - | (752) |
| Property transactions, net | (16,121) | (10,113) | (18,696) | (10,113) |
| Depreciation and amortization | (86,423) | (86,327) | (173,943) | (172,730) |
| Operating loss | (24,835) | (23,774) | (19,872) | (23,942) |
| Non-operating income (expense): | | | | |
| Interest expense - sponsor notes | - | (25,935) | - | (50,883) |
| Interest expense - other | (22,518) | (42,984) | (45,370) | (86,454) |
| Other, net | (4,435) | (33,073) | (6,748) | (32,330) |
| | (26,953) | (101,992) | (52,118) | (169,667) |
| Net loss | \$ (51,788) | \$ (125,766) | \$ (71,990) | \$ (193,609) |

CITYCENTER HOLDINGS, LLC
RECONCILIATION OF OPERATING INCOME (LOSS) TO ADJUSTED EBITDA
(In thousands)
(Unaudited)

Three Months Ended June 30, 2014

| | Operating income (loss) | Preopening and start-up expenses | Property transactions, net | Depreciation and amortization | Adjusted EBITDA |
|--------------------------------------|----------------------------|--|-------------------------------|----------------------------------|------------------|
| Aria | \$ (6,274) | \$ - | \$ 3,016 | \$ 64,472 | \$ 61,214 |
| Vdara | (3,283) | - | 128 | 10,482 | 7,327 |
| Crystals | 4,430 | - | 126 | 6,646 | 11,202 |
| Mandarin | | | | | |
| Oriental | (3,578) | - | 44 | 4,710 | 1,176 |
| Resort operations | (8,705) | - | 3,314 | 86,310 | 80,919 |
| Residential operations | 2,084 | - | - | 113 | 2,197 |
| Development and administration | (18,214) | - | 12,807 | - | (5,407) |
| | <u>\$ (24,835)</u> | <u>\$ -</u> | <u>\$ 16,121</u> | <u>\$ 86,423</u> | <u>\$ 77,709</u> |

Three Months Ended June 30, 2013

| | Operating income (loss) | Preopening and start-up expenses | Property transactions, net | Depreciation and amortization | Adjusted EBITDA |
|--------------------------------------|----------------------------|--|-------------------------------|----------------------------------|------------------|
| Aria | \$ (14,713) | \$ - | \$ 278 | \$ 64,018 | \$ 49,583 |
| Vdara | (3,894) | - | - | 10,394 | 6,500 |
| Crystals | 3,156 | - | - | 6,876 | 10,032 |
| Mandarin | | | | | |
| Oriental | (3,601) | - | - | 4,676 | 1,075 |
| Resort operations | (19,052) | - | 278 | 85,964 | 67,190 |
| Residential operations | (410) | - | 9,835 | 355 | 9,780 |
| Development and administration | (4,312) | - | - | 8 | (4,304) |
| | <u>\$ (23,774)</u> | <u>\$ -</u> | <u>\$ 10,113</u> | <u>\$ 86,327</u> | <u>\$ 72,666</u> |

CITYCENTER HOLDINGS, LLC
RECONCILIATION OF OPERATING INCOME (LOSS) TO ADJUSTED EBITDA
(In thousands)
(Unaudited)

Six Months Ended June 30, 2014

| | Operating income (loss) | Preopening and start-up expenses | Property transactions, net | Depreciation and amortization | Adjusted EBITDA |
|----------------|----------------------------|--|-------------------------------|----------------------------------|-------------------|
| Aria | \$ 1,282 | \$ - | \$ 4,323 | \$ 130,101 | \$ 135,706 |
| Vdara | (6,234) | - | 128 | 20,707 | 14,601 |
| Crystals | 8,663 | - | 205 | 13,388 | 22,256 |
| Mandarin | | | | | |
| Oriental | (6,288) | - | 44 | 9,429 | 3,185 |
| Resort | | | | | |
| operations | (2,577) | - | 4,700 | 173,625 | 175,748 |
| Residential | | | | | |
| operations | 4,691 | - | 1,114 | 318 | 6,123 |
| Development | | | | | |
| and | | | | | |
| administration | (21,986) | - | 12,882 | - | (9,104) |
| | <u>\$ (19,872)</u> | <u>\$ -</u> | <u>\$ 18,696</u> | <u>\$ 173,943</u> | <u>\$ 172,767</u> |

Six Months Ended June 30, 2013

| | Operating income (loss) | Preopening and start-up expenses | Property transactions, net | Depreciation and amortization | Adjusted EBITDA |
|----------------|----------------------------|--|-------------------------------|----------------------------------|-------------------|
| Aria | \$ (1,614) | \$ 694 | \$ 278 | \$ 127,788 | \$ 127,146 |
| Vdara | (9,190) | - | - | 21,209 | 12,019 |
| Crystals | 5,159 | 58 | - | 13,320 | 18,537 |
| Mandarin | | | | | |
| Oriental | (7,346) | - | - | 9,686 | 2,340 |
| Resort | | | | | |
| operations | (12,991) | 752 | 278 | 172,003 | 160,042 |
| Residential | | | | | |
| operations | (1,454) | - | 9,835 | 711 | 9,092 |
| Development | | | | | |
| and | | | | | |
| administration | (9,497) | - | - | 16 | (9,481) |
| | <u>\$ (23,942)</u> | <u>\$ 752</u> | <u>\$ 10,113</u> | <u>\$ 172,730</u> | <u>\$ 159,653</u> |

CITYCENTER HOLDINGS, LLC
SUPPLEMENTAL DATA - HOTEL STATISTICS
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|-------------|--------------------|------------------|------------------|------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Aria | | | | |
| Occupancy % | 94.4% | 91.7% | 93.2% | 90.3% |
| ADR | \$217 | \$212 | \$223 | \$210 |
| REVPAR | \$205 | \$194 | \$208 | \$190 |
| Vdara | | | | |
| Occupancy % | 94.9% | 91.4% | 92.2% | 88.6% |
| ADR | \$175 | \$165 | \$180 | \$162 |
| REVPAR | \$166 | \$150 | \$166 | \$144 |

SOURCE MGM Resorts International

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